MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017/2018

BAC2654 – PUBLIC SECTOR ACCOUNTING

(All sections / Groups)

08 MARCH 2018
2.30 p.m. – 5.30 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **TWO (2)** printed pages with **FOUR (4)** questions.
2. Attempt **ALL** questions. All questions carry equal marks, and the distribution of marks for each question is given.
3. Please write all your answers in the booklet provided.

QUESTION ONE

a) Federalism is a system of government in which power is shared between the federal government and the state government. The relationship involves distribution of legislative powers, executive powers and financial matters. Financial matters refer to all aspects of public finance such as revenues, payment of expenditures and borrowing powers. Explain on the distribution of financial matters between federal government and state government. **(9 marks)**

b) Briefly discuss **FOUR** (4) actions that lead to surcharge on government's officer who failed to carry out certain duties. **(4 marks)**

c) Explain in detail the following procedures, as stated in Financial Procedure Act 1957:

i) Payment of moneys.
ii) Preparation of estimates.
iii) Procedure of virements.

(12 marks)
[TOTAL: 25 MARKS]

QUESTION TWO

a) Financial reporting in public sector is required to comply with Article 99(4) of the Federal Constitution, Section 16 (1) of the Financial Procedure Act 1957, Treasury Circular No 4/2007, Government Accounting Standards No.1 & 2 and International Public Sector Accounting Standards. Discuss in details these financial reporting regulatory requirements. **(15 marks)**

b) Explain in detail **FIVE** (5) main components of Federal Government Financial Statement. **(10 marks)**
[TOTAL: 25 MARKS]

QUESTION THREE

a) Explain the concept of surplus and deficit budget. **(4 marks)**

b) Discuss the reasons for migrating from Programme and Performance Budgeting System (PPBS) to Modified Budgeting System (MBS). **(6 marks)**

c) As a Secretary General of Treasury, write a memo to Minister of Finance suggesting how the adoption of output based budgeting (OBB) shall facilitate the implementation of fiscal consolidation measures and to ensure that the Government's financial position continues to be resilient, and debt level remains low in the medium-and long-terms. **(15 marks)**
[TOTAL: 25 MARKS]

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QUESTION FOUR

Read the following news report, and answer the following questions.

2016 Auditor-General's report still contains element of corruption - AG

By Bernama - July 17, 2017 @ 6:37pm

IPOH: The Auditor-General's Report 2016 Series 1 scheduled to be tabled in Parliament end of the month still contained findings on negligence, indiscipline, misappropriation , power abuse, corruption and misconduct among civil servants.

Auditor-General Tan Sri Dr. Madinah Mohamad said all the audit findings had been reported to officers at the affected agencies.

"A fair and balanced report will be tabled in Parliament with the aim of ensuring management accountability".

"The report is proof and responsibility of government departments and agencies in addressing corruption and abuse of public funds," she said in her speech at the conference of state secretaries on action against issues raised in the Auditor-General's Report here today.

The conference was opened by Perak Menteri Besar Datuk Seri Dr. Zambry Abd Kadir.

Source:https://www.nst.com.my/news/nation/2017/07/258125/2016-auditor-generals-report-still-contains-element-corruption-ag [assessed on 5th January 2018]

Required:

a. Explain the roles of Public Accounts Committee in overcoming negligence, indiscipline, misappropriation, power abuse, corruption and misconduct among civil servants. **(8 marks)**

b. Discuss the management accountability components in Malaysian public sector. **(6 marks)**

c. As an internal auditor, write a memo to your agency's Controlling Officer suggesting initiatives to enhance the accountability process of the agency. **(11 marks)**

[TOTAL: 25 MARKS]

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